

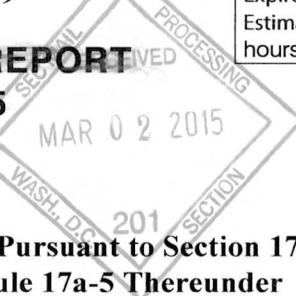
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL  
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hours per response..... 12.00



15048507

ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III



SEC FILE NUMBER  
8- 069291

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/2014 AND ENDING 12/31/2014  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: STEWARD SECURITIES GROUP LLC

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

17615 PRIMROSE MEADOW LANE

(No. and Street)

HOUSTON, TEXAS 77095

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

WILLIAM C. HOOVER

(281) 221-9954

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Harper & Pearson Company, P.C.

(Name - if individual, state last, first, middle name)

One Riverway, Suite 1900, Houston, TX 77056

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

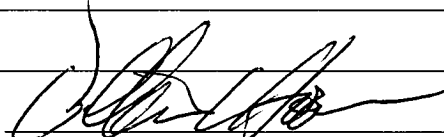
SEC 1410 (06-02)

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KW  
3/11

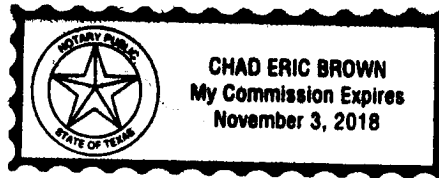
## OATH OR AFFIRMATION

I, William C. Hoover, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Steward Securities Group LLC, as of December 31, 20 14, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

  
Signature

William C. Hoover, Member  
Title

  
Notary Public



This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☒ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

**STEWARD SECURITIES GROUP LLC**  
**FINANCIAL REPORT**  
**DECEMBER 31, 2014**

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Management of  
Steward Securities Group, LLC

We have audited the accompanying financial statements of Steward Securities Group, LLC (the Company), which comprise the statement of financial condition as of December 31, 2014, and the related statements of operations, changes in member's equity, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements and supplemental information. The Company's management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheet of Steward Securities Group, LLC as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The Computation of Net Capital Under Rule 15c3-1 of Securities Exchange Commission (SEC) and the Computation for Determination of Reserve Requirements and Information Relating to Possession or Control of Securities Under Rule 15c3-3 of the SEC have been subjected to audit procedures performed in conjunction with the audit of Steward Securities Group, LLC's financial statements. The supplemental information is the responsibility of Steward Securities Group, LLC's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Harper & Pearson Company, P.C.*

Houston, Texas  
February 27, 2015

**STEWARD SECURITIES GROUP LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2014**

**ASSETS**

|  |           |                       |
|--|-----------|-----------------------|
| Cash and Cash Equivalents                  | \$        | 126,698               |
| Cash on Deposit with Clearing Organization |           | <u>100,000</u>        |
| Subtotal Cash and Cash Equivalents         |           | 226,698               |
| Other Current Assets                       |           | <u>3,374</u>          |
| <b>TOTAL ASSETS</b>                        | <b>\$</b> | <b><u>230,072</u></b> |

**MEMBER'S EQUITY**

|                              |           |                       |
|------------------------------|-----------|-----------------------|
| MEMBER'S EQUITY              | \$        | <u>230,072</u>        |
| <b>TOTAL MEMBER'S EQUITY</b> | <b>\$</b> | <b><u>230,072</u></b> |

The Notes to the Financial Statement are an Integral part of this statement.

**STEWARD SECURITIES GROUP LLC**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

|  |    |          |
|--|----|----------|
| Management and Administrative expenses | \$ | 19,928   |
|  |    | <hr/>    |
| Net Loss                               | \$ | (19,928) |
|  |    | <hr/>    |

The Notes to the Financial Statement are an Integral part of this statement.

**STEWARD SECURITIES GROUP LLC**  
**STATEMENT OF CHANGES OF MEMBER'S EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

|                            |                   |
|----------------------------|-------------------|
| Balance, December 31, 2013 | \$ 250,000        |
| Net Loss                   | (19,928)          |
| Balance, December 31, 2014 | <u>\$ 230,072</u> |

The Notes to the Financial Statement are an Integral part of this statement.



**STEWARD SECURITIES GROUP LLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

|   |    |                     |
|---|----|---------------------|
| <b>Net Loss</b>                                       | \$ | (19,928)            |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>            |    |                     |
| Increase in Prepaid Assets                            |    | (3,374)             |
|   |    | <hr/>               |
| Net cash used by operating activities                 |    | (23,302)            |
|   |    | <hr/>               |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>      |    | (23,302)            |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b> |    | <hr/> 250,000       |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>       | \$ | <hr/> <hr/> 226,698 |

The Notes to the Financial Statement are an Integral part of this statement.

**STEWARD SECURITIES GROUP LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**NOTE 1: BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Steward Securities Group, LLC ("the Company") maintains its accounts on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Accounting principles followed by the Company and the methods of applying those principles which materially affect the determination of financial position, results of operations and cash flows are summarized below:

**Nature of Business** - The Company is located in Houston, Texas and is a limited business broker dealer that transacts in institutional fixed income securities only. Consequently, the Company has claimed an exemption from the Securities and Exchange Commission's (SEC) Rule 15c3-3 under section (K)(2)(ii). The Company is registered as a Broker-Dealer with the SEC, and a member of the Financial Industry Regulatory Authority (FINRA). Its principal market is the general public in the Southeastern region of Texas.

**Statement Presentation** - An unclassified balance sheet is presented in accordance with industry standards.

**Cash and Cash Equivalents** - Cash and cash equivalents include cash held in banks and a money market account. The Company considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents. The Company had no cash equivalents at December 31, 2014.

**Revenue Recognition** - Commissions are recognized when earned and receivables are recorded at that time. Revenues are primarily generated from commissions on sales of fixed income securities.

**Income Taxes** - The Company has elected to be taxed as a Limited Liability Company, and therefore no provision has been made for federal income tax, since these taxes are the responsibility of the member. The Company is subject to the Texas Margin Tax which is a state income tax. The Company did not owe any Texas Margin Tax at December 31, 2014.

The Company believes that all tax positions will more likely than not be sustained upon examination. As of December 31, 2014, the tax years that remain subject to examination by the major tax jurisdictions under the Statute of Limitations are from the year 2013 forward, (with limited exceptions). Tax penalties and interest, if any, would be accrued as incurred and would be classified as tax expense in the statements of income.

**Estimates** - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Subsequent Events** - The Company has evaluated subsequent events through February 27, 2015, the date the financial statements were available to be issued. No subsequent events occurred, which require adjustment or disclosure to the financial statements at December 31, 2014.

**STEWARD SECURITIES GROUP LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**NOTE 2: NET CAPITAL REQUIREMENTS**

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis.

At December 31, 2014, the Company had net capital of \$226,698 and a net capital requirement of \$5,000 for the year. The Company's ratio of aggregate indebtedness to net capital was 0 to 1 at December 31, 2014. The Securities and Exchange Commission permits a ratio of aggregate indebtedness to net capital for the Company at this time of no greater than 15 to 1.

**NOTE 3: CREDIT RISK**

It is the Company policy to review the credit standings of each counter party.

**NOTE 4: RECEIVABLE FROM CLEARING ORGANIZATION**

The Company has an agreement with a clearing organization whereby the organization performs clearing functions for all securities transactions with customers and brokers and dealers. Related to these transactions the Company is required to maintain cash on deposit in a clearance account with the Clearing Organization in the amount of \$100,000. According to the clearing agreement, the clearing organization is responsible for executing, clearing and settling securities transactions on a fully disclosed basis for the accounts of the Company.

**STEWARD SECURITIES GROUP LLC****SCHEDULE I****COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION****DECEMBER 31, 2014****NET CAPITAL**

|   |            |
|---|------------|
| Total Member's equity qualified for net capital | \$ 230,072 |
|---|------------|

|  |         |
|--|---------|
| Total capital and allowable subordinated liabilities | 230,072 |
|--|---------|

Deductions and /or charges:

Non allowable assets

|                      |       |
|----------------------|-------|
| Other Current Assets | 3,374 |
|----------------------|-------|

|   |                |
|---|----------------|
| <b>NET CAPITAL BEFORE HAIRCUTS ON SECURITIES POSITION</b> | <b>226,698</b> |
|---|----------------|

Haircuts on securities

|             |            |
|-------------|------------|
| Net Capital | \$ 226,698 |
|-------------|------------|

**COMPUTATION ON BASIC NET CAPITAL REQUIREMENTS**

|  |      |
|--|------|
| Minimum net capital required (6.67% of aggregate indebtedness) | \$ - |
|--|------|

|  |          |
|--|----------|
| Minimum dollar net capital requirement | \$ 5,000 |
|--|----------|

|   |          |
|---|----------|
| Net Capital requirement (greater of two above minimum requirements) | \$ 5,000 |
|---|----------|

|                    |            |
|--------------------|------------|
| Excess net capital | \$ 221,698 |
|--------------------|------------|

|  |        |
|--|--------|
| Ratio: Aggregate indebtedness to net capital | 0 to 1 |
|--|--------|

Note: The above computation does not differ materially from the computation of net capital under Rule 15c3-1 as of December 31, 2014, filed with the Securities and Exchange Commission by the Company on Part IIA of Form X-17a-5.

See Report of Independent Registered Public Accounting Firm.

**STEWARD SECURITIES GROUP LLC**

**SCHEDULE II**

**INFORMATION RELATING TO THE POSSESSION OR CONTROL  
REQUIREMENTS UNDER RULE 15c3-3**

**DECEMBER 31, 2014**

**Exemption Provision**

The Company has claimed an exemption from the reserve requirements and the related computations for the determination thereof under paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934 as the Company is an introducing broker or dealer, clears all transactions with and for customers on a fully disclosed basis with a clearing broker or dealer, and who promptly transmits all customer funds and securities to the clearing broker or dealer which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of Rule 17a-3 and Rule 17a-4 as are customarily made and kept by a clearing broker or dealer.

See Report of Independent Registered Public Accounting Firm.



**HARPER & PEARSON**  
COMPANY, P.C. CERTIFIED PUBLIC  
ACCOUNTANTS

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Management of  
Steward Securities Group, LLC

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) Steward Securities Group, LLC identified the following provisions of 17 C.F.R. §15c3-3(k) under which Steward Securities Group, LLC claimed an exemption from 17 C.F.R. §240.15c3-3, specifically 17 C.F.R. §240.15c3-3 (k)(2)(ii) (the exemption provisions) and (2) Steward Securities Group, LLC stated that Steward Securities Group, LLC met the identified exemption provisions throughout the most recent fiscal year without exception. Steward Securities Group, LLC's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Steward Securities Group, LLC's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Harper & Pearson Company, P.C.*

Houston, Texas  
February 27, 2015

**SIPC-7**

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION  
P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300  
**General Assessment Reconciliation**

For the fiscal year ended 12/31/2014  
(Read carefully the instructions in your Working Copy before completing this Form)

**SIPC-7**

(33-REV 7/10)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

20\*20\*\*\*\*\*2995\*\*\*\*\*MIXED AADC 220  
069291 FINRA DEC  
STEWARD SECURITIES GROUP LLC  
17615 PRIMROSE MEADOW LN  
HOUSTON TX 77095-4949

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

2. A. General Assessment (item 2e from page 2) \$ 0
- B. Less payment made with SIPC-6 filed (exclude interest) ( 0 )
- C. Less prior overpayment applied ( 0 )
- D. Assessment balance due or (overpayment) 0
- E. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum 0
- F. Total assessment balance and interest due (or overpayment carried forward) \$ 0
- G. PAID WITH THIS FORM:  
Check enclosed, payable to SIPC  
Total (must be same as F above) \$ 0
- H. Overpayment carried forward \$( 0 )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

N/A

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

STEWARD SECURITIES GROUP LLC

(Name of Corporation, Partnership or other organization)

William Choo

(Authorized Signature)

Dated the 12 day of FEB, 20 15.

PRES/CEO

(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates:

Postmarked \_\_\_\_\_

Received \_\_\_\_\_

Reviewed \_\_\_\_\_

Calculations \_\_\_\_\_

Documentation \_\_\_\_\_

Forward Copy \_\_\_\_\_

Exceptions:

Disposition of exceptions:

# DETERMINATION OF "SIPC NET OPERATING REVENUES" AND GENERAL ASSESSMENT

Amounts for the fiscal period  
beginning 1/1/2014  
and ending 12/31/2014

**Item No.**

Eliminate cents

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 0

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

0  
0  
0  
0  
0  
0  
0

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C):

0  
0  
0  
0  
0  
0  
0  
0

(Deductions in excess of \$100,000 require documentation)

- (9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ 0

- (ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ 0

Enter the greater of line (i) or (ii)

Total deductions

0  
0

2d. SIPC Net Operating Revenues

\$ 0

2e. General Assessment @ .0025

\$ 0

(to page 1, line 2.A.)